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This would allow an allotment transfer over county lines so that the farmer can maintain a little bit of income this year without having a total loss. Also it would allow those who overproduced in other areas to take up the slack of those who were not able to produce because of the rain.

Mr. SPEAKER, I would like to thank the gentleman from North Carolina (Mr. JONES) and the gentleman from Washington (Mr. FOLEY) of the Committee on Agriculture for bringing this legislation up in such an expeditious manner. I hope it will be passed with an overwhelming vote.

Mr. JONES of North Carolina. I thank the gentleman from South Carolina. I would like to add by way of emphasis that this is, indeed, emergency legislation for the selling season, which will end in about 30 to 60 days in the area affected. Again let me say that this applies only to the 1976 crop and is not permanent legislation.

Mr. Speaker, I reserve the remainder of my time.

Mr. WAMPLER. Mr. Speaker, I yield myself such time as I may consume.

(Mr. WAMPLER asked and was given permission to revise and extend his remarks.)

Mr. WAMPLER. Mr. Speaker, I rise in support of H.R. 15068, a bill which will provide emergency allotment lease and transfer of tobacco allotments or quotas for 1976. The provisions of the bill would apply in certain disaster areas—counties—in South Carolina and Georgia.

Under current legislation, there is a prohibition against the transfer of allotments across county lines. The bill would assist producers of tobacco in certain counties who have incurred damage to their tobacco crop from inclement weather or other natural disaster conditions. I am sure I need not remind you that this is one of the driest years that many parts of our country have encountered in a considerable period of time. In others there has been excessive rainfall.

I should point out to you that this bill amends section 316 of the Agricultural Adjustment Act of 1938 and affects the lease and transfer for all kinds of tobacco except burley, cigar binder, dark air-cured, fire-cured and Virginia sun-cured tobacco.

As Assistant Secretary Feltner noted in his letter of August 19, 1976, indicating the USDA does not oppose passage of this bill:

In August, 1973, P.L. 93-80 authorized disaster transfers of 1973 fire-cured tobacco allotments and quotas for specified counties in Georgia and South Carolina. Similar legislation was enacted in October 1974, for specified counties in North Carolina.

Thus, it would appear that there is ample precedent for this legislation.

Also, I might add the Congressional Budget Office advised Chairman FOLEY on August 11, 1976, that—

It appears that no additional cost to the government would be incurred as the result of enactment of this bill.

Mr. JONES has set forth how this bill would be implemented, if enacted, and to whom it would apply. As he has advised you, it is narrow in its application,

entails no cost, and would be in effect only for the 1976 crop year.

Accordingly, I urge your support of this simple and small, yet important, measure so as to give some relief to certain farmowners and operators who have suffered a disaster.

Mr. MATHIS. Mr. Speaker, I rise in support of H.R. 15068. This bill is an emergency measure designed to assist producers of tobacco in certain counties in South Carolina and Georgia who have incurred damage to their tobacco crop from inclement weather or other natural disaster conditions.

H.R. 15068 authorizes the Secretary of Agriculture to permit the lease and transfer of tobacco acreage allotments across county lines in 1976 in seven named counties in South Carolina and four named counties in Georgia, if he determines that as the result of a natural disaster one of the counties has suffered a loss of 10 percent or more in the number of acres planted and that the lease and transfer would not impair the effective operation of the tobacco marketing quota or price support program. Under current legislation, there is a prohibition against the transfer of allotments across county lines.

The bill would apply only to owners and operators of a farm which has suffered a loss of 10 percent or more in the number of acres of tobacco planted. Under this provision, a farm would be considered as having suffered a loss of 10 percent or more in the number of acres planted if as the result of a disaster the yield of the farm is reduced by at least 10 percent below the expected production on the planted acres for the farm. Transfers could be made of all or any part of the allotment or quota and would have to be made to a farm in the same or any other county within the same State and to a farm having a current tobacco allotment or quota of the same kind of tobacco.

The counties covered by the bill are Clarendon, Colleton, Darlington, Horry, Williamsburg, Florence, and Marion Counties, S.C.; and Cook, Berrien, Lanier, and Lowndes Counties, Ga.

This bill would provide assistance to affected farmers in the listed counties for the 1976 crop only. The provision amends section 316 of the Agricultural Adjustment Act of 1938 and affects the lease and transfer for all kinds of tobacco except burley, cigar binder—types 54 and 55, dark air-cured, fire-cured, and Virginia sun-cured tobacco which are covered by other provisions of the act.

Mr. Speaker, H.R. 15068 is a noncontroversial measure. It has bipartisan support and passed the committee by an overwhelming vote. It does not increase Government costs in any manner whatsoever. The Congressional Budget Office agrees with this assessment.

I urge my colleagues to join me in support of this legislation which is so urgently needed by producers in the affected areas of South Carolina and Georgia.

The SPEAKER pro tempore (Mr. McFALL). The question is on the motion offered by the gentleman from North

Carolina (Mr. JONES) that the House suspend the rules and pass the bill H.R. 15068.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that the title of the bill be amended to add the words "and Georgia" immediately after "South Carolina."

Through error, "Georgia" was omitted. The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The title was amended so as to read: "To provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina."

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 15068, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### TERMINATION OF OVERSEAS PRIVATE INVESTMENT CORPORATION INSURANCE IN CERTAIN CIRCUMSTANCES

Mr. NIX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14681) to provide for termination of investment insurance and guaranties issued by the Overseas Private Investment Corporation in any case in which the investor makes a significant payment to an official of a foreign government for the purpose of influencing the actions of such government, as amended.

The Clerk read as follows:

H.R. 14681

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 237 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:*

*"(1) (1) The Corporation shall issue such regulations and take such other steps as are necessary to provide for the termination of any insurance or reinsurance issued under this title which is applicable to any investor with respect to a project if the Corporation determines in accordance with paragraph (2) that such investor or any agent of such investor—*

*"(A) has offered, paid, or agreed to pay any significant amount of money or has offered, given, or promised to give anything of significant value to an individual who is an official of a foreign government or instrumentality thereof for the purpose of inducing that individual to use his influence within such foreign government or instrumentality to affect any decision or other action of such foreign government or instrumentality with respect to such project;*

*"(B) has paid or agreed to pay any significant amount of money or has given or agreed to give anything of significant value*

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to any person knowing or having reason to know that all or a portion of such moneys or thing of value will be offered, given, or promised, directly or indirectly, to any individual who is an official of a foreign government or instrumentality thereof for the purpose of inducing that individual to use his influence within such foreign government or instrumentality to affect any decision or other action of such foreign government or instrumentality with respect to such project; or

(C) has paid or agreed to pay any significant amount of money or has given or agreed to give anything of significant value to any foreign political party or official thereof or any candidate for foreign political office for the purpose of inducing that party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect any decision or other action of such foreign government or instrumentality with respect to such project.

(2) (A) If the Corporation has reason to believe that an investor or an agent of an investor has taken any action described in subparagraphs (A), (B), or (C) of paragraph (1), the Corporation shall initiate proceedings to determine whether such action was taken. If the Corporation determines that such action was taken, then any insurance or reinsurance issued under this title, which is applicable to the investor with respect to the project in conjunction with which the action was taken shall be cancelled as of the end of the fifteenth day following the date on which notice of such determination is mailed to the investor.

(B) Regulations pursuant to this subsection shall be issued in accordance with section 553 or title 5, United States Code. Determinations under this subsection shall be made on the record after notice and opportunity for a hearing in accordance with section 553 of such title. Determinations under this subsection shall constitute final agency action and may be appealed by any person adversely affected thereby to the United States Court of Appeals for the District of Columbia, or for the circuit in which the person resides or has his principal place of business, for review in accordance with chapter 7 of such title."

(b) The amendment made by subsection (a) shall not apply to actions taken prior to the effective date of the regulations issued pursuant to such amendment. Such regulations shall be issued and shall become effective not later than 90 days after the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. WHALEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. Nix) and the gentleman from Ohio (Mr. WHALEN) each will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. Nix).

Mr. NIX. Mr. Speaker, I yield myself such time as I may consume.

(Mr. NIX asked and was given permission to revise and extend his remarks.)

Mr. NIX. Mr. Speaker, H.R. 14681 was introduced by Mr. SOLARZ and cosponsored by Congressmen WHALEN and myself. It was favorably reported by the subcommittee, then favorably reported out by voice vote of full committee.

The Overseas Private Investment Corporation, known by the acronym OPIC,

has as its major function the issuance of political risk insurance against expropriation of investor assets by foreign governments.

Significant payments, gifts, and/or bribes establish an environment where the risk of expropriation is increased.

Therefore, it is the committee's belief that it is helpful to supply OPIC with the authority to diminish the prospect of expropriation by cancelling insurance coverage before expropriation occurs rather than waiting for the act of expropriation with its resulting damage.

The damage from incidents of expropriation increases the costs of premiums to unacceptable levels, strains our foreign relations and threatens the health of American business in foreign countries, since expropriations spread to many countries when they occur in one.

The present law, based on the OPIC standard contract, permits the agency to refuse to issue insurance policies in doubtful cases and to refuse to pay expropriation claims when expropriation has been "provoked." OPIC witnesses consider payments, gifts and offers of the same, provocation sufficient in circumstances to be determined by them, as a basis for denying a claim.

The present state of the law creates a doubt as to whether or not an investor policyholder has obtained insurance coverage when he pays his premiums if payments have been made either as bribes or as the result of extortion to foreign officials.

## SECTIONAL ANALYSIS

Subsection (1) of the bill provides that OPIC shall issue regulations requiring the automatic termination of insurance coverage applicable to a specific project if the corporation determines that:

First. The investor has offered, paid or agreed to pay or give anything of significant value to a foreign official for the purpose of inducing that individual to use his influence with his government to affect any decision or action of that government with respect to a specific project;

Second. Has offered, paid or agreed to pay or give anything of significant value to an intermediary, having reason to believe that such person will directly or indirectly attempt to influence a foreign public official to use that person's influence with a foreign government to affect any decision or act of that government;

Third. Has offered, paid, or agreed to pay or give anything of significant value to any foreign political party, party official or candidate in order to affect a foreign government decision or act, with respect to a specific insured project.

Paragraph 2 (a) requires that in cases where the corporation has reason to believe that any of the described actions have occurred, the corporation shall begin proceedings to determine the facts. If the corporation determines that such action was taken then any insurance or reinsurance issued under this title in conjunction with the project involved shall be canceled at the end of the 15th day following the date on which notice was mailed to the investor.

Paragraph 2 (b) provides "due process"

protections for investors subject to proceedings. Regulations issued pursuant to the bill shall be issued in accordance with 5 U.S.C. 553 and determinations shall be made on the record after notice and the opportunity for a hearing in accordance with 5 U.S.C. 554. In addition all determinations as to individual cases are appealable by the person adversely affected to the U.S. Court of Appeals for the District of Columbia, or to the U.S. circuit court of appeals where such person resides or has his principal place of business. Thus the Administrative Procedure Act is specifically made applicable.

Finally, subsection (b) makes the provisions of the bill in relation to proceedings applicable to actions taking place after the issuance of regulations and such regulations shall be issued and be effective not later than 90 days after enactment.

In conclusion, the International Relations Committee supports this legislation because it believes that an organization which has assets of \$397 million and which issued \$1.2 billion in insurance coverage in 1975 cannot afford to ignore the storm raised by allegations and evidence of bribery and extortion on an international scale. The agency cannot pretend that its 700 policyholders can ignore the conditions which affect all international business.

Mr. Speaker, there is no opposition to this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. WHALEN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. WHALEN asked and was given permission to revise and extend his remarks.)

Mr. WHALEN. Mr. Speaker, I rise in support of H.R. 14681. This measure requires termination of Overseas Private Investment Corporation insurance in cases where OPIC has determined that client firms have made or attempted to make improper payments overseas in connection with their insured projects.

This legislation meets head on a fundamental issue in a carefully defined area, the issue of business improprieties in the developing-nation investment context. The U.S. Government, rocked by payments scandals in recent years, must lead the way both in setting an example and in demanding sound business practices for our long-term economic health. We can ill-afford to have our Government programs, such as OPIC insurance, stigmatized by association with bribery or corrupt practice.

I would like to stress several things about this bill. First, it has been conscientiously rewritten several times over the course of the last year to meet specific objections, and therefore represents a bipartisan effort. Second, all references to domestic or foreign law have been removed to avoid awkward legal and diplomatic tangles, and the final version sets up a policy framework rather than detailed guidelines. Third, the contract termination would affect only the specific country and project involved. This makes it absolutely clear that companies are not being "penalized" for their activities. Rather, the insurance termination is a

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necessary dissociation of the U.S. Government from the impropriety, and the company is still eligible for insurance in any other situation but the one in which it was compromised. Fourth, explicit provision has been made for due process appeals of OPIC determinations that improper payments have been made or offered.

In view of these and other advantages of the bill, I urge my colleagues to support enactment of H.R. 14681.

Mr. NIX. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York (Mr. SOLARZ), the author of this legislation.

(Mr. SOLARZ asked and was given permission to revise and extend his remarks.)

Mr. SOLARZ. Mr. Speaker, I will be brief, but I would be remiss in my obligations if I did not take this opportunity to pay tribute to the chairman of the full committee, the gentleman from Pennsylvania (Mr. MORGAN), and the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. NIX), and the ranking minority member of the subcommittee, the gentleman from Ohio (Mr. WHALAN) for their constructive and creative leadership in shepherding this bill through the legislative process.

This is, as the distinguished chairman of the subcommittee noted, my first bill. And I think it is fair to say that without the wise understanding and sympathetic support of these gentlemen it would not have been possible to have brought it to the floor of the House.

Mr. Speaker, this legislation is based on a very fundamental and important assumption which is that agencies of the U.S. Government should not insure corporations which are engaged in paying bribes to foreign officials. It seems to me that we have a moral obligation, as well as a political interest, in prohibiting practices which are both corrupt and counterproductive. Whatever the private advantages of illegal payments to foreign officials may be to the corporations which engage in them, I think they are far outweighed by the public disadvantages to the foreign policy of our own country, if and when they are disclosed.

Mr. Speaker, in the last several months a number of agencies of our own Government, including the IRS and the SEC and the other body in this Congress, have attempted to deal with this problem by passing new legislation and promulgating revised regulations.

I think we have a responsibility to act as well. This bill is by no means a panacea. Obviously, it will not eliminate the problem of bribery. But it is a significant step forward in the right direction, and it is a new beginning of which I think we can be proud.

Mr. NIX. Mr. Speaker, I have no further requests for time.

Mr. WHALEN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. McFALL). The question is on the motion offered by the gentleman from Pennsylvania (Mr. NIX) that the House suspend the rules and pass the bill H.R. 14681, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to provide for termination of investment insurance issued by the Overseas Private Investment Corporation in any case in which the investor offers or makes a significant payment to an official of a foreign government for the purposes of influencing the actions of such government."

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. NIX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## TETON DAM DISASTER ASSISTANCE ACT OF 1976

Mr. FLOWERS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 3542) to authorize the Secretary of the Interior to make compensation for damages arising out of the failure of the Teton Dam a feature of the Teton Basin Federal reclamation project in Idaho, and for other purposes, as amended.

The Clerk read as follows:

S. 3542

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Congress finds that without regard to the proximate cause of the failure of the Teton Dam, it is the purpose of the United States to fully compensate any and all persons, for the losses sustained by reason of the failure of said dam. The purposes of this Act are (1) to provide just compensation for the deaths, personal injuries, and losses of property, including the destruction and damage to irrigation works, resulting from the failure on June 5, 1976, of the Teton Dam in the State of Idaho, and (2) to provide for the expeditious consideration and settlement of claims for such deaths, personal injuries, and property losses.

SEC. 2. All persons who suffered death, personal injury, or loss of property directly resulting from the failure on June 5, 1976, of the Teton Dam of the Lower Teton Division of the Teton Basin Federal reclamation project which was authorized to be constructed by the Act of September 7, 1964 (78 Stat. 925), shall be entitled to receive from the United States full compensation for such death, personal injury, or loss of property. Claimants shall submit their claims in writing to the Secretary, under such regulations as he prescribes, within two years after the date on which the regulations required by section 5 are published in the Federal Register. Claims based on death shall be submitted only by duly authorized legal representatives.

SEC. 3. (a) The Secretary of the Interior, or his designee for the purpose, acting on behalf of the United States, is hereby authorized to and shall investigate, consider, ascertain, adjust, determine, and settle any claim for money damages asserted under section 2. Except as otherwise provided herein, the laws of the State of Idaho shall apply:

*Provided,* That determinations, awards, and settlements under this Act shall be limited to actual or compensatory damages measured by the pecuniary injuries or loss involved and shall not include interest prior to settlement or punitive damages.

(b) In determining the amount to be awarded under this Act the Secretary shall reduce any such amount by an amount equal to the total of insurance benefits (except life insurance benefits) or other payments or settlements of any nature previously paid with respect to such death claims, personal injury, or property loss.

(c) Payments approved by the Secretary under this Act on death, personal injury, and property loss claims, shall not be subject to insurance subrogation claims in any respect under this Act but without prejudice under other laws as provided in subsection (f).

(d) The Secretary shall not include in an award any amount for reimbursement to any insurance fund for loss payments made by such company or fund.

(e) Except as to the United States, no claim cognizable under this Act shall be assigned or transferred.

(f) The acceptance by the claimant of any award, compromise, or settlement under this Act, except an advance or partial payment made under section 4(c), shall be final and conclusive on the claimant, and shall constitute a complete release of any claim against the United States by reason of the same subject matter. A release shall not, however, prevent an insurer with rights as a subrogee under its own name or that of the claimant from exercising any right of action against the United States to which it may be entitled under any other laws for payments made to the claimant for a loss arising from the subject matter.

(g) Any claim for damages which may be payable in whole or in part by a claimant's insurer, shall not be paid by the Secretary unless and until the claimant provides written proof that the insurer has denied the claim or has failed to approve or deny such claim within six months of its presentation, and the claimant assigns to the United States his rights against the insurer with respect to such claim. Upon the acceptance of any payment or settlement under this Act, the claimant shall assign to the United States any rights of action he has or may have against any other third party, including an insurer.

SEC. 4. (a) In the determination and settlement of claims asserted under this Act, the Secretary shall limit himself to the determination of—

(1) whether the losses sustained directly resulted from the failure of the Teton Dam on June 5, 1976;

(2) the amounts to be allowed and paid pursuant to this Act; and

(3) the persons entitled to receive the same.

(b) The Secretary shall determine and fix the amount of awards, if any, in each claim within twelve months from the date on which the claim was submitted.

(c) At the request of a claimant, the Secretary is authorized to make advance or partial payments prior to final settlement of a claim, including final settlement on any portion or aspect of a claim determined to be logically severable. Such advance or partial payments shall be made available under regulations promulgated by the Secretary under section 5, which regulations shall include, but not be limited to, provisions for such payments where the Secretary determines that to delay payment until final settlement of the claim would impose a substantial hardship on such claimant. When a claimant pursues a remedy as provided for in section 9 of this Act, he shall be permitted to retain such advance or partial payments under a final court decision on the merits.

(d) Payments may be made for compen-

sation for direct investments made in on-farm structural facilities in anticipation of service from the Teton Reservoir to the extent that such facilities are unusable or are diminished in value by the denial of such service.

Sec. 5. Notwithstanding any other provision of law, the Secretary shall within fifteen days after the enactment of this Act promulgate and publish in the Federal Register, final regulations and procedures for the handling of the claims authorized in section 2 of this Act. The Secretary shall also cause to be published, in newspapers with general circulation in the State of Idaho, an explanation of the rights conferred by this Act and the procedural and other requirements imposed by the rules of procedure promulgated by him. Such explanation shall be in clear, concise, and easily understandable language. In addition, the Secretary shall also disseminate such explanation concerning such rights and procedures, and other data helpful to claimants, in the State of Idaho, by means of brochures, pamphlets, radio, television, and other media likely to reach prospective claimants.

Sec. 6. The claims program established by this Act shall, to the extent practicable, be coordinated with other disaster relief operations conducted by other Federal agencies under the Disaster Relief Act of 1974 (42 U.S.C. 5121) and other provisions of law. The Secretary shall consult with the heads of such other Federal agencies, and shall, as he deems necessary, consistent with the expeditious determination of claims hereunder, make use of information developed by such agencies. The heads of all other Federal agencies performing disaster relief functions under the Disaster Relief Act of 1974 and other Federal authorities are hereby authorized and directed to provide the Secretary, or his designee, such information and records as the Secretary or his designee shall deem necessary for the administration of this Act.

Sec. 7. In order to expedite the repair and restoration of irrigation facilities damaged as a direct result of the failure of the Teton Dam, the Secretary is authorized and directed to enter into agreements with the owners of such facilities to finance the repair or reconstruction thereof to the standards and conditions existing immediately prior to the failure of Teton Dam, either by direct payment or through construction contracts administered by the Bureau of Reclamation to the extent the cost of repairs or construction are not covered by insurance. The cost of such repairs or reconstruction shall be non-reimbursable.

Sec. 8. At the end of the year following approval of this Act and each year thereafter until the completion of the claims program, the Secretary shall make an annual report to the Congress of all claims submitted to him under this Act stating the name of each claimant, the amount claimed, a brief description of the claim, and the status or disposition of the claim including the amount of each administrative payment and award under the Act.

Sec. 9. (a) An action shall not be instituted in any court of the United States upon a claim against the United States which is included in a claim submitted under this Act until the Secretary or his designee has made a final disposition of the pending claim. A pending claim may be withdrawn from consideration prior to final decision upon fifteen days written notice, and such withdrawal shall be deemed an abandonment of the claim for all purposes under this Act. After withdrawal of a claim or after the final decision of the Secretary or his designee on a claim under this Act, a claimant may elect to assert said claim or institute an action thereon against the United States in any court of competent jurisdiction under any other provision of applicable law, and upon such election there shall be no further

consideration or proceedings on the claim under this Act.

(b) Any claimant aggrieved by a final decision of the Secretary under this Act may file within sixty days from the date of such decision with the United States District Court for the District of Idaho a petition praying that such decision be modified or set aside in whole or in part. The court shall hear such appeal on the record made before the Secretary. The filing of such an appeal shall constitute an election of remedies. The decision of the Secretary incorporating his findings of fact therein, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

(c) Except to the extent otherwise herein provided, nothing in this Act shall be construed to prevent any claimant under this Act from exercising any rights to which he may be entitled under any other provisions of law.

(d) Attorney and agent fees shall be paid out of the awards hereunder. No attorney or agent on account of services rendered in connection with each claim shall receive in excess of 10 per centum of the amount paid in connection therewith, any contract to the contrary notwithstanding. Whoever violates this subsection shall be fined a sum not to exceed \$10,000.

Sec. 10. For the purposes of this Act, the term "persons" means any individual, Indian, Indian tribe, corporation, partnership, company, municipality, township, association or other non-Federal entity.

Sec. 11. If any particular provision of this Act, or the application thereof to any person or circumstance, is held invalid, the other provisions of this Act shall not be affected thereby.

Sec. 12. There are hereby authorized to be appropriated such funds as may be required to carry out the purposes of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. KINDNESS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Alabama (Mr. FLOWERS) and the gentleman from Ohio (Mr. KINDNESS) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Alabama (Mr. FLOWERS).

Mr. FLOWERS. Mr. Speaker, I yield myself such time as I may consume.

(Mr. FLOWERS asked and was given permission to revise and extend his remarks.)

Mr. FLOWERS. Mr. Speaker, the bill, S. 3542 provides comprehensive authority for the settlement of claims arising as the direct result of the failure of the Teton Dam on June 5, 1976, for the administration of that program by the Secretary of the Interior.

On June 5, 1976, at about 12 noon the Teton Dam was breached and water surged through an opening of the dam. The waters flooded portions of five counties in Idaho. It was reported that 11 persons are known dead and estimates as to damages range from \$500 million to \$1 billion. At a hearing on this bill and companion House bills H.R. 14328, H.R. 14367, and H.R. 14547 before the Judiciary Committee's Subcommittee on Administrative Law and Governmental Relations on June 30, 1976, the witness in behalf of the Department of the In-

terior described the Teton Dam as a principal feature of the Teton Basin project which was intended to provide supplemental irrigation for more than 110,000 acres of farmland in the Upper Snake River Valley and power from two 10,000-kilowatt hydroelectric generators.

This bill would provide an expedited procedure and express statutory authority for the payment of compensation to cover claims for personal injury, loss of life, or damage to or loss of real or personal property resulting from the flooding without regard to the cause of the failure of the dam. It would require the Secretary of the Interior to administer the settlement of claims and to prescribe and publish such rules and procedures as would be necessary and proper to carry out the provisions of the act.

In section 9, the bill would also authorize the Secretary, through direct payments or through construction contracts administered by the Bureau of Reclamation, to accomplish repair or reconstruction of irrigation systems and facilities damaged by the flooding to the extent such costs are not covered by insurance. The Secretary would make annual reports to the Congress on claims settlements under the program. S. 3542 also authorizes the appropriation of such funds as might be required to carry out the purposes of the bill.

At the hearings on the bill, an effort was made to ascertain the potential cost of a program of this magnitude, and the committee has referred to a number of sources to obtain an indication of such costs. In the estimate of costs received by this committee from the Congressional Budget Office, it is pointed out that the authorization level includes compensation for personal injury, loss of life, for property loss and farm damage, business interruption, damage to irrigation works, and administrative costs. Property loss and farm damage includes loss of crops, fertile land, and livestock; and damage of railroad equipment, private homes, businesses, and farm equipment. The costs reported to this committee; that is, \$198.9 million for fiscal year 1977, \$99.5 million for fiscal year 1978, and \$33.1 million for fiscal year 1979, are based on an estimate derived by the Bureau of Reclamation and represents claims already paid, as well as the estimate of future claims. Specifically, compensation for personal injury is based on the average amount of claims already settled by the Bureau of Reclamation, as well as an estimate of 125 people injured. Compensation for loss of life is based on claims received by the Bureau of Reclamation for five deaths by drowning as a result of the dam collapse.

The cost total also includes permanent repairs to the irrigation works, but not repair of the dam itself. The estimate also assumes that none of the damage is covered by private insurance. Amounts received by claimants in the form of insurance payments would be deducted from payments under its provisions and insurance subrogation claims would not be paid under the specific provisions of the bill.

In S. 3542, it is stated that Congress